

CUSTOMS DIRECTIVE

ORIGINATING OFFICE: FO:TP:I:Q

DATE: MAY 5, 1999

CUSTOMS DIRECTIVE NO. 3230-025A

SUPERSEDES: 099 3230-025, 5/14/91

REVIEW DATE: MAY 2001

SUBJECT: QUOTA-CLASS MERCHANDISE: TIME OF PRESENTATION

1 PURPOSE. To provide guidance on the time of presentation to be used when quota-class merchandise is subsequently reclassified after release; nonquota merchandise is reclassified to quota-class status; merchandise subject to an absolute quota is inadvertently released and not charged to a quota; NAFTA Tariff Rate Quotas (TRQ)/Tariff Preference Levels (TPL) - not claimed, merchandise released and not charged to a quota; and corrections to quota-class merchandise are made after the quota was charged. Although the Customs regulations are specific as to the time of presentation to achieve quota priority and status, there are instances in which the time of presentation needs further clarification.

2 POLICY. The references and procedures outlined in this directive will be followed to ensure that the statistics in the quota system data bases reflect those quantities of merchandise which have been properly entered into the commerce with the appropriate time of presentation.

3 AUTHORITIES/REFERENCES. Section 204 of the Agriculture Act of 1956 (76 Stat. 104), as amended (7 U.S.C. 1854); Executive Order 11651 dated March 1972; Executive Order 12475 dated May 1984; Presidential Proclamation 6641, North America Free Trade Agreement (NAFTA) dated December 1993; Presidential Proclamation 6763, GATT Uruguay Round Agreements dated December 1994; Presidential Proclamation 6962, United States-Israel Agreement on Trade in Agricultural Products dated December 1996; Harmonized Tariff Schedule; 19 CFR 132; and CIS HB 3200-08 dated March 1998.

4 RESPONSIBILITIES. It is the responsibility of all Directors, Field Operations, and all Port Directors to ensure compliance with this directive. The information contained in this directive should be made available to all Customs field officers responsible for the processing and reporting of quota-class merchandise.

5 PROCEDURES. The following procedures will be adhered to when quota-class merchandise is subsequently reclassified after release; nonquota merchandise is reclassified to quota-class status; merchandise subject to an absolute quota is inadvertently released and not charged to a quota; NAFTA TRQs/TPLs - not claimed, merchandise released and not charged to a quota; and corrections to quota-class merchandise are made after the quota was charged.

5.1 Reclassification of Quota-Class Merchandise after Release and Quota

Charged. Absolute Quotas - If the reclassification for textiles results in an invalid visa, the incorrect quota charge line(s) will be deleted from the quota system database and the correct tariff number and the textile category will be re-input with the new time of presentation (time of discovery at 0830 hours) and the quota charged regardless of whether or not a new visa has been issued. If the filer can obtain a new visa/waiver, the new number should be reported with the same entry number. If the reclassification results in a new tariff number but retains the same category number, the original quota charge line(s) should be deleted and re-input with the corrected tariff number and the time of presentation equating to the time of discovery at 0830 hours.

5.2 Reclassification of Nonquota Merchandise after Release. **Tariff-Rate Quotas** - When nonquota merchandise has been released and subsequent review results in reclassification to quota-class status in the appropriate quota period, the quota line(s) will be input with the time of presentation equating to the time of discovery at 0830 hours and if the quota is closed, the merchandise is reclassified at the high rate tariff number and additional duties due for the duration of the appropriate quota period.

5.3 Absolute Quota Merchandise Inadvertently Released without Quota Charge. If the circumstances of this error was of a type where the Customs field officer determines that the demand for redelivery is appropriate, such a demand should be issued. If the merchandise is returned and found to be classified correctly, or reclassification is warranted, quota line(s) should be reported with the time of presentation as the time of discovery at 0830 hours. If absolute quota merchandise is not returned, the quota should be reported with the time of presentation as the time of discovery at 0830 hours. Any appropriate penalty actions should be within the appropriate FP&F guidelines.

5.4 NAFTA TRQs/TPLs, Not Claimed, Released, but Not Charged to Quota. If a claim is filed under a Supplemental Information Letter (SIL) requesting NAFTA preferential treatment as tariff-rate quota-class merchandise, the time of presentation should be the time of Customs receipt of the SIL. The quota line(s) should be input with this new time of presentation.

5.5 Corrections to Quota-Class Merchandise after Quota Charged. If an error is detected while the review is still within the time frame set by Customs Reject Policy, the quota lines should be deleted and the summary should be systemically rejected back to the filer for the correction of the appropriate quota line(s). The resubmitted summary would require a new time of presentation. If an error is detected when the review is beyond the rejection time frame, the incorrect quota line(s) should be deleted from the quota system data base by the Customs field officer and the corrected quota line(s) re-input with the new time of presentation as the time of discovery at 0830 hours. Any appropriate Census corrections for ABI transactions can be accomplished through the CNCU function code and in accordance with the latest Census Interface Directive.

6 MEASUREMENT. Customs field offices will have successfully executed the requirements of this directive when all quota-class merchandise is reported accurately,

timely and validated through the following activities: through the running of appropriate data queries to detect unreported quota, through reviewing the ACS Q15 Report to detect untimely quota reporting, and through the review of selected entry summaries for compliance with quota requirements and the appropriate ISDA input to reflect any corrected action.

Assistant Commissioner
Office of Field Operations